

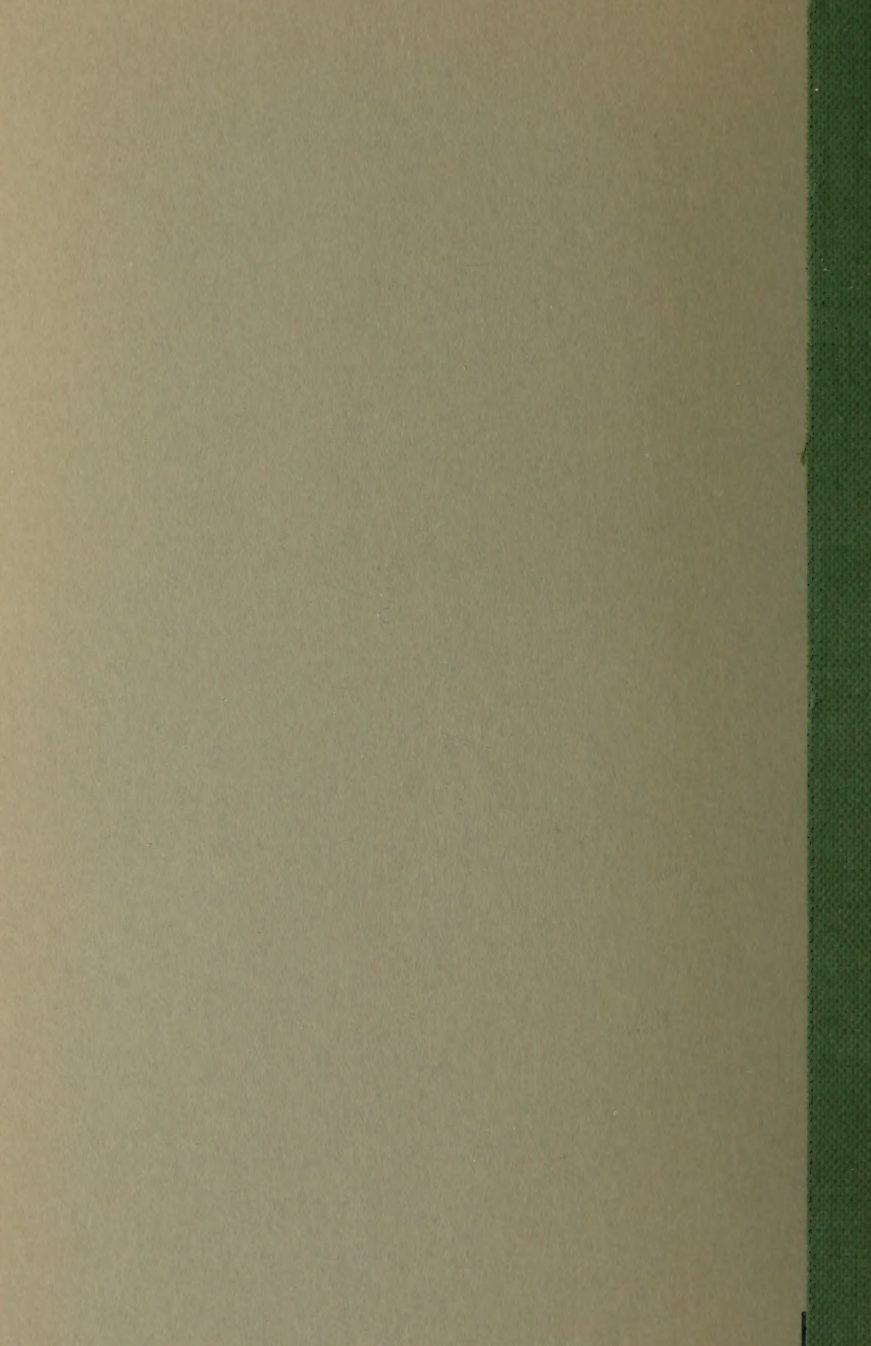
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towns

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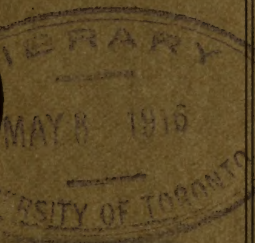
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# Budget-Making for Maine Towns

BY

ORREN CHALMER HORMELL

Professor of History and Government  
Bowdoin College



Municipal Research Series No. 2

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BRUNSWICK, MAINE,

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APRIL, 1916





# B u d g e t - M a k i n g for Maine Towns

AND

A Comparative Analysis of the Expenditures of Certain  
Maine Municipalities

BY

ORREN CHALMER HORMELL

Professor of History and Government  
Bowdoin College

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Brunswick, Me.  
BOWDOIN COLLEGE  
1916

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BUDGET-MAKING FOR MAINE TOWNS



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## Budget-Making for Maine Towns

The adoption of an up-to-date system of budget-making by Maine towns is an essential step in the solution of their financial problem.

The financial problem of the typical Maine town is "to make both ends meet." That problem is becoming more and more difficult. Population and property valuation are increasing but slowly (in many towns not at all) while the demands for new and better services are growing by leaps and bounds. The citizens are demanding a pure and adequate water supply; inspected milk; better schools with domestic science, manual-training and commercial courses; better lighted streets; and good roads. Such demands must be met by the town which hopes to induce desirable citizens to make their homes within its borders, to draw new industries, and to share in the lucrative summer trade. The typical town, however, desires to meet these new demands without raising the tax-rate or increasing the valuation. For a high tax-rate, it is believed, is not only burdensome to the property owners but drives away new industries; and an increased valuation increases, disproportionately, the burden of the county and the state tax.

What solution, then, have our towns discovered? A large number have followed the line of least resistance. They have provided the new services and the improvements without raising revenue sufficient to pay for them. The result has been an annual deficit. The deficit, piling up year after year, in due time has been bonded and bequeathed for payment to the next generation. Statistics presented by the Census Bureau give a clear picture of the situation.\* During the ten years from 1902 to 1912 the property valuation in Maine cities and towns taken as a whole increased about eighteen per cent., the tax-rate about eleven per cent., while the debt increased about seventy-three per cent.

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\*Bureau of Census, Wealth, Debt and Taxation, 1913.

The situation, however, is not wholly discouraging. Towns here and there throughout the State, realizing the danger, are seeking to meet the increasing demands without adding, unduly, to their burden of debt. The town of Eden, has turned to the manager plan as a means of securing greater efficiency in financial affairs. Several towns, with a similar end in view, have adopted a business-like system of accounting and reporting. But even these reforms, important as they are, need to be supplemented and completed by a modern system of budget-making before the town is in a position to solve fully its financial problem.

A majority of the Maine towns still vote their annual appropriations in the traditional haphazard manner. The voters in the town meeting have, to guide them in voting appropriations, nothing except the unrelated, and unclassified articles in the warrant, and the financial items of similar character in the annual report. The chaff has not been sifted from the wheat. The needs of the town are not considered as a whole; nor are they considered in relation to the available revenue. The value of one activity is not weighed against that of another. Many of the articles, calling for large expenditures, are introduced by private individuals who have no comprehensive knowledge of the needs of the town. Often an unwise article, championed by a fluent speaker, is approved, while some necessary service is, perchance, entirely unprovided for. It is not uncommon for the articles near the top of the warrant to receive unquestioned approval, while equally important articles, accidentally coming near the end of the warrant, are summarily dismissed, after some "watch-dog of the treasury" with pencil and paper in hand announces that the town has already appropriated more than the usual amount.

#### **APPROPRIATION PROCEDURE IN NORWOOD, MASS.**

Among the New England towns, Norwood, Massachusetts, has devised probably the most satisfactory procedure for mak-

ing appropriations. It has a committee, termed the "Finance Commission," which consists of three members elected for terms of three years.

The work of the "Commission," relating to appropriations, is as follows:

1. It demands from the several town officers "a detailed estimate of the appropriations required for the efficient and proper conduct of their respective departments during the ensuing fiscal year."

2. From the above data the "Commission" prepares a detailed estimate of the expenditures of the town government for the coming year. At the same time it is required to prepare an estimate of: (a) the income from all sources of revenue other than taxation; (b) the probable amount to be raised by taxation for each service. These estimates must be submitted to the selectmen not later than December 31st,—about three weeks before the annual town meeting.

3. Finally, the "Commission" considers all the financial articles in the warrant and submits to the town meeting a printed report with recommendations.\* Norwood is now (March 1916) devising a form for appropriation items which promises to incorporate the most advanced principles of budget-making.

#### THE "COMMITTEE OF TWELVE" IN BRUNSWICK, MAINE

Progress toward a satisfactory budget-system is being made by certain Maine towns. The budget-making procedure in the town of Brunswick, for example, is worthy of special notice.

Each year the Moderator, in the town meeting, appoints a "Committee of Twelve." The committee is a non-partisan body composed of the leading business men of the town. It is the duty and practice of the committee to make a thorough study of the financial condition of the town; examine the estimates of the various officials and the privately introduced financial arti-

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\*Massachusetts, Acts and Resolves, 1914, chap. 197.

cles in the warrant; compare the proposed items of appropriation with the amounts appropriated the previous year; hold a public hearing in which the requests from the citizens of the several sections of the town are heard and discussed; and submit a printed report with recommendations to the town meeting.

The value of the service performed by the committee was especially apparent in the recent (March 6, 1916) town meeting. The committee submitted to the town the following report:

### REPORT OF THE COMMITTEE OF TWELVE

The Committee of Twelve makes the following recommendations:

#### REGULAR APPROPRIATIONS

|                                          |                                                       |             |
|------------------------------------------|-------------------------------------------------------|-------------|
| ART. 5.                                  | Support of the poor .....                             | \$ 5,000 00 |
| ART. 6.                                  | Needy soldiers and their families .....               | 300 00      |
| ART. 14.                                 | Repair of highways .....                              | 10,000 00   |
| ART. 15.                                 | Fire department, including new hose ...               | 3,300 00    |
| ART. 16.                                 | Town debt .....                                       | 5,000 00    |
| ART. 17.                                 | Interest .....                                        | 4,000 00    |
| ART. 18.                                 | Contingencies .....                                   | 4,000 00    |
| ART. 19.                                 | Street lights .....                                   | 4,950 00    |
| ART. 20.                                 | Abatement of taxes .....                              | 800 00      |
| ART. 21.                                 | Police department, including a police<br>matron ..... | 2,300 00    |
| ART. 22.                                 | Memorial day .....                                    | 150 00      |
| ART. 23.                                 | Public library .....                                  | 1,400 00    |
| ART. 26.                                 | Discount for early payment of taxes ...               | 600 00      |
| ART. 29 and 30.                          | State aid road .....                                  | 1,466 00    |
| ART. 32.                                 | Sprinkling Maine street .....                         | 300 00      |
| ART. 34.                                 | Bridge on Bath road .....                             | 1,500 00    |
| (We understand that this is compulsory.) |                                                       |             |
| ART. 57.                                 | Village Improvement Society .....                     | 200 00      |
|                                          |                                                       | <hr/>       |
|                                          |                                                       | \$50,285 83 |



The School Committee requests the following:

|          |                                       |                    |
|----------|---------------------------------------|--------------------|
| ART. 7.  | Common schools .....                  | \$ 2,500 00        |
| ART. 8.  | Repairs and insurance .....           | 2,000 00           |
| ART. 9.  | Text-books and supplies .....         | 2,000 00           |
| ART. 10. | Supt. of schools and committee .....  | 1,300 00           |
| ART. 11. | Manual training .....                 | 200 00             |
| ART. 12. | Domestic science .....                | 300 00             |
| ART. 13. | Free high school .....                | 5,000 00           |
| ART. 50. | Fire escapes in primary schools ..... | 400 00             |
|          |                                       | <hr/> \$ 13,700 00 |

The above sums with the probable increase in the county tax will amount to as large an appropriation as the total last year.

Any further appropriations would necessarily result in an increase in the rate of taxation and the Committee unanimously recommends the dismissal of all such articles.

The Committee unanimously suggests for the consideration of the Town a change in the election of Selectmen beginning next year as follows: Elect one for three years, one for two years and one for one year and thereafter one to be elected each year for a three year term. This will lead to a more efficient control of the town affairs.

The Committee recommends July 1st as the date when taxes shall become due and payable with a discount of  $1\frac{1}{2}\%$  for payment at that time. Interest to be computed from November 1st.

Respectfully submitted,

Brunswick, Me., March 2, 1916.

COMMITTEE OF TWELVE.

The financial articles in the warrant and the recommendations of the committee had been explained in the Brunswick Record in the issue of the previous week. In the town meeting the report was in the hands of each voter. As the successive financial articles in the warrant came before the town, the Moderator called the attention of the voters to the recommendation of the committee and announced the amount appropriated last year.

The articles of the warrant called for an expenditure of almost \$12,000.00 over and above the amount recommended by the committee. When the first important article, which the committee had opposed was reached, the chairman of the committee took the floor and emphatically explained that the approval of each article in addition to those recommended by the committee meant raising the tax-rate proportionately; and that the approval of all the articles meant an additional tax of three or four dollars on the thousand. The town saw that the simple issue before it was whether it would authorize a tax-rate of \$24.00 to \$26.00 on the thousand or vote down the unapproved requests. The town did not hesitate in making the decision. The total amount appropriated was only \$367.00 more than the total recommended by the committee; and what is of equal importance, every appropriation recommended by the committee was approved without modification. The result was that the necessary and important activities of the town were amply provided for, and at the same time the tax-rate was kept down to \$21.00 — the rate of last year.

#### WHAT AN APPROPRIATION COMMITTEE MAY ACCOMPLISH

The "Committee of Twelve" has proved itself an indispensable check upon unwise and extravagant appropriations. Upon the constructive side, however, the committee still has much to accomplish.

The committee may profitably consider not only the question of the amounts to be "raised and appropriated" from taxes, but the whole financial program for the ensuing year. Among the agents of government in the town, the "Appropriation Committee" is in the best position to consider and present a "work program" for the coming year. In fact, concerning many activities it should plan for several years. For example, an effective program for highway improvement must extend over a number of years. When the citizens of a town know that a comprehensive

plan for highway improvement is being worked out in the interest of the town as a whole, then the perennial flood of unrelated articles in the warrant on road improvements will cease.

The appropriation committee best serves the town when it estimates as closely as possible the available revenue and recommends its distribution among the several activities of the town so as to accomplish the greatest possible good. This end can be gained only by weighing the value of activities, one against the other; by considering which should be increased and which decreased, what new activities should be undertaken and what old ones discontinued.

The work of the committee in wisely distributing the total revenue will be greatly facilitated if the items of the appropriations are drawn up according to a uniform classification such as is used in the more advanced municipalities. The several activities thus become units of appropriation. The town, in voting the budget gives to its officers specific orders to perform certain services, and at the close of the year, the town report using the same classification shows how fully the officers have obeyed the orders.

### THE ESSENTIAL STEPS IN BUDGET-MAKING

FIRST. The committee brings together for its guidance and consideration the following data:

1. A balance sheet showing the exact condition of the town, —what the town owes and what are its available resources.
2. A summarized and classified statement of the financial transactions of the previous year (or years) showing the total revenue classified according to sources and the total expenditures classified according to objects. An excellent example of what such a statement should be is found in the 1916 report of the town of Eden, (Bar Harbor) Maine.
3. Estimates by the several town officers (selectmen, overseers of the poor, commissioner of highways, etc.) setting forth in detail the needs of the several offices and departments for

the ensuing year. The estimates show in detail the objects of the proposed expenditures. In fact, they present a proposed "work program" with the estimated cost of carrying the program into effect. Comparisons are made with the present year, decreases and increases are explained, and reasons are given for proposed new work. These estimates should be submitted to the committee at least thirty days before the annual town meeting.

4. Financial articles placed in the warrant by private individuals. Such articles should be considered in their relation to the financial program as a whole. After such a proposed budget-system is permanently established, private individuals will soon appreciate the advantage of having their requests incorporated in the recommendations of the committee rather than in separate articles.

SECOND. A public hearing for the consideration of the official estimates and the requests of private citizens is held not later than seven days prior to the town meeting. The requests from the citizens of every section of the town are heard, public opinion is ascertained and the public is influenced to give a more favorable reception to the final report of the committee.

THIRD. The complete report and recommendations are published in the local newspaper during the week immediately preceding the town meeting. Expert advice is thus combined with adequate publicity, both of which are necessary for successful popular government.

FOURTH. The final report with the recommendations of the committee is printed and distributed to the voters in the town meeting.

The following is the 1916 report of the "Committee of Twelve" of the town of Brunswick, modified to conform substantially to the classification and comparative data suggested by the practice of certain Massachusetts towns:\*

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\*See the reports of the appropriation committees of Norwood, Wakefield and Manchester, Massachusetts.



# REPORT OF THE COMMITTEE OF TWELVE

|                                              | Appropriations taxes 1916 | Revenue from other sources 1916 | Expenditures 1916 | Appropriations recommended 1916 | Estimated revenue from other sources 1916 | Remarks                                          |
|----------------------------------------------|---------------------------|---------------------------------|-------------------|---------------------------------|-------------------------------------------|--------------------------------------------------|
| <b>General Government.</b>                   |                           |                                 |                   |                                 |                                           |                                                  |
| Selectmen.....                               |                           |                                 |                   |                                 |                                           |                                                  |
| Salaries of Board.....                       |                           | \$886.13                        | \$1,162.50        |                                 | \$890.00                                  | *Overlay and miscellaneous                       |
| Salary of Clerk.....                         |                           | 1902.92                         | 283.00            |                                 | 1,000.00                                  | *Railroad and telegraph taxes from State         |
| Departmental Expenses.....                   |                           |                                 | 476.29            | \$665.00                        |                                           |                                                  |
| Auditors.....                                | \$30.00                   |                                 | 30.00             | 30.00                           |                                           |                                                  |
| Treasurer.....                               | 150.00                    |                                 | 150.00            | 150.00                          |                                           |                                                  |
| Collector.....                               |                           |                                 |                   |                                 |                                           |                                                  |
| Commission and Expense.....                  | 1,164.50                  |                                 | 1,164.50          | 1,170.00                        |                                           |                                                  |
| For Tax Deeds.....                           | 462.51                    | 98.91                           | 1472.83           |                                 |                                           | *Transfer to Unclassified                        |
| Clerk.....                                   | 138.85                    |                                 | 138.85            | 140.00                          |                                           |                                                  |
| Attorneys.....                               | 243.13                    |                                 | 243.13            | 250.00                          |                                           |                                                  |
| Town Agent.....                              | 10.00                     |                                 | \$10.00           |                                 |                                           | \$Discontinued                                   |
| Town Building and Lot.....                   |                           | 12,945.30                       | 2,848.78          |                                 | 12,900.00                                 | *Rentals                                         |
| Printing.....                                | 288.47                    |                                 | 288.47            | 290.00                          |                                           |                                                  |
| Total.....                                   | \$2,487.46                | \$4,833.26                      | \$7,268.35        | \$2,695.00                      | \$4,790.00                                |                                                  |
| Total, Revenue and Expenditure.....          | \$7,321.22                |                                 | \$7,268.35        |                                 | \$7,385.00                                |                                                  |
| <b>Protection of Persons and Property.</b>   |                           |                                 |                   |                                 |                                           |                                                  |
| Police.....                                  | \$2,200.00                | \$6.74                          | \$2,351.68        | \$2,300.00                      |                                           | *Includes a Police Maron                         |
| Care of Lockup.....                          | 70.00                     |                                 | 70.00             | 70.00                           |                                           |                                                  |
| Fire Department.....                         | 3,300.00                  |                                 | 2,434.41          | 3,300.00                        |                                           | *New hose included                               |
| Moth Extermination.....                      | 793.32                    | 87.90                           | 793.32            | 700.00                          | \$80.00                                   |                                                  |
| Inspection of Buildings.....                 | 75.00                     |                                 | 75.00             | 75.00                           |                                           |                                                  |
| Militia (Army).....                          |                           |                                 |                   |                                 |                                           |                                                  |
| Repair of Armory.....                        | 1,000.00                  | 1,500.00                        | 2,927.20          |                                 |                                           | *Borrowed                                        |
| Insurance and care of Armory.....            | 138.70                    |                                 | 138.70            | 140.00                          |                                           |                                                  |
| Dog Officers.....                            |                           | \$177.66                        | 232.66            |                                 | \$175.00                                  | *Dog licenses from State                         |
| Total.....                                   | \$7,577.02                | \$1,772.30                      | \$9,022.97        | \$6,585.00                      | \$255.00                                  |                                                  |
| Total, Revenue and Expenditure.....          | \$9,349.32                | \$9,022.97                      |                   | \$6,840.00                      |                                           |                                                  |
| <b>*Health and Sanitation.</b>               |                           |                                 |                   |                                 |                                           |                                                  |
| Board of Health.....                         |                           |                                 |                   |                                 |                                           | *Sewers maintained by Village Corporation        |
| Expense and Vital Statistics.....            | \$115.00                  |                                 | \$113.25          | \$115.00                        |                                           |                                                  |
| Milk Inspection.....                         | 220.00                    |                                 | 216.87            | 220.00                          |                                           |                                                  |
| Total.....                                   | \$335.00                  |                                 | \$330.12          | \$335.00                        |                                           |                                                  |
| <b>Highways and Bridges.</b>                 |                           |                                 |                   |                                 |                                           |                                                  |
| Maintenance.....                             | \$10,000.00               | \$2,093.34                      | \$10,675.73       | \$10,000.00                     | \$500.00                                  | *State and miscellaneous                         |
| State Aid Road.....                          | 1,466.00                  | 1,046.40                        | 2,512.40          | 1,466.00                        | 1,046.40                                  | *From State                                      |
| Sprinkling.....                              | 300.00                    |                                 | 300.00            |                                 |                                           |                                                  |
| Street Sprinkler.....                        | 400.00                    |                                 | 357.10            |                                 |                                           |                                                  |
| Bridge on Bath Road.....                     |                           |                                 |                   | 11,500.00                       |                                           | *We understand that this is compulsory           |
| Orr's Island Road.....                       | 1,000.00                  |                                 | 981.74            |                                 |                                           |                                                  |
| Concrete Walk.....                           | 800.00                    | 1,328.65                        | 2,049.56          |                                 |                                           |                                                  |
| Gurnet Bridge.....                           | 1,000.00                  | \$1,567.01                      | 2,612.39          |                                 |                                           |                                                  |
| Total.....                                   | \$14,966.00               | \$6,035.40                      | \$19,488.92       | \$12,966.00                     | \$1,546.40                                | *Borrow \$1600.00                                |
| Total, Revenue and Expenditure.....          | \$20,701.40               | \$19,488.92                     |                   | \$14,512.40                     |                                           |                                                  |
| <b>Lights.</b>                               |                           |                                 |                   |                                 |                                           |                                                  |
| .....                                        | \$5,230.00                | \$5,241.50                      | \$4,950.00        |                                 |                                           | *New contract \$13 months                        |
| <b>Water.</b>                                |                           |                                 |                   |                                 |                                           |                                                  |
| .....                                        | \$4,642.86                |                                 | \$4,642.86        | \$5,019.83                      |                                           |                                                  |
| <b>Charity and Soldiers' Aid.</b>            |                           |                                 |                   |                                 |                                           |                                                  |
| Poor in House.....                           | \$5,010.00                | \$255.94                        | \$2,657.22        | \$5,000.00                      | \$500.00                                  | *Produce on farm                                 |
| Poor out of House.....                       |                           | \$77.99                         | 4,125.95          |                                 | \$580.00                                  |                                                  |
| Soldiers' Aid.....                           | 300.00                    | 140.00                          | 365.43            | 300.00                          | 140.00                                    |                                                  |
| Total.....                                   | \$5,310.00                | \$973.93                        | \$7,148.60        | \$5,300.00                      | \$1,220.00                                |                                                  |
| Total, Revenue and Expenditure.....          | \$6,283.93                | \$7,148.60                      |                   | \$6,520.00                      |                                           |                                                  |
| <b>Education.</b>                            |                           |                                 |                   |                                 |                                           |                                                  |
| Superintendent of Schools and Committee..... | \$1,300.00                | \$15,217.30                     | \$1,231.51        | \$1,500.00                      | \$15,000.00                               | *From State                                      |
| Common Schools.....                          | 1,000.00                  | 1444.77                         | 16,815.07         | 2,500.00                        | 1450.00                                   | *Interest, tuition, etc.                         |
| Free High School.....                        | 3,800.00                  |                                 | 5,105.49          | 5,000.00                        |                                           |                                                  |
| Text Books and Supplies.....                 | 600.00                    |                                 | 2,545.90          | 2,000.00                        |                                           |                                                  |
| Manual Training.....                         | 600.00                    |                                 | 938.30            | 200.00                          |                                           | \$400 due from State last year not yet received. |
| Domestic Science.....                        | 300.00                    |                                 | 798.65            | 300.00                          |                                           | \$400 for fire escapes on primary schools        |
| Repairs and Insurance.....                   | 1,500.00                  |                                 | 2,233.43          | 2,400.00                        |                                           |                                                  |
| Truant Officers.....                         | 77.66                     |                                 | 77.66             | 75.00                           |                                           |                                                  |
| Total.....                                   | \$11,077.66               | \$15,662.07                     | \$29,746.01       | \$13,775.00                     | \$15,450.00                               |                                                  |
| Total, Revenue and Expenditure.....          | \$26,739.73               | \$29,746.01                     |                   | \$29,225.00                     |                                           | *To be bonded                                    |
| Unitarian Church.....                        | \$2,000.00                |                                 | \$2,000.00        |                                 |                                           |                                                  |
| Rebuilding High School.....                  |                           |                                 | \$17,838.43       |                                 |                                           |                                                  |
| <b>Library.</b>                              |                           |                                 |                   |                                 |                                           |                                                  |
| .....                                        | \$1,600.00                | \$140.00                        | \$1,600.00        | \$1,400.00                      | \$140.00                                  | *\$200 for Ins.                                  |
| Total.....                                   | \$1,740.00                |                                 | \$1,600.00        |                                 | \$1,540.00                                |                                                  |
| <b>Interest.</b>                             |                           |                                 |                   |                                 |                                           |                                                  |
| .....                                        | \$4,500.00                | \$145.90                        | \$4,212.55        | \$4,600.00                      | \$145.00                                  | *Discount \$600 for early tax payment            |
| Total.....                                   | \$4,645.90                | \$4,212.55                      |                   | \$4,745.00                      |                                           |                                                  |
| <b>Debt.</b>                                 |                           |                                 |                   |                                 |                                           |                                                  |
| Loans.....                                   |                           |                                 |                   | \$1,000.00                      |                                           |                                                  |
| Bonds.....                                   | \$4,000.00                |                                 | \$4,000.00        | 4,000.00                        |                                           |                                                  |
| Total.....                                   |                           |                                 |                   | \$5,000.00                      |                                           |                                                  |
| <b>Unclassified.</b>                         |                           |                                 |                   |                                 |                                           |                                                  |
| Summer Music.....                            | \$150.00                  |                                 | \$150.00          |                                 |                                           |                                                  |
| Memorial Day.....                            | 150.00                    |                                 | 150.00            | \$150.00                        |                                           |                                                  |
| Village Improvement Society.....             |                           |                                 |                   | 200.00                          |                                           |                                                  |
| Abatements.....                              | 800.00                    |                                 | 799.68            | 800.00                          |                                           |                                                  |
| Contingencies.....                           |                           | \$529.30                        | 345.17            |                                 | \$500.00                                  | *Licenses and miscellaneous                      |
| Total.....                                   | \$1,100.00                | \$529.30                        | \$1,444.85        | \$1,150.00                      | \$500.00                                  |                                                  |
| Total, Revenue and Expenditure.....          | \$1,629.30                | \$1,444.85                      |                   | \$1,650.00                      |                                           |                                                  |
| <b>Grand Total.</b>                          |                           |                                 |                   |                                 |                                           |                                                  |
| Grand Total, Revenue and Expenditure.....    | \$64,826.00               | \$29,562.86                     | \$113,985.16      | \$63,675.83                     | \$24,046.40                               |                                                  |
| .....                                        | \$94,388.86               | \$113,985.16                    |                   | \$87,722.23                     |                                           |                                                  |

The above sums recommended for appropriation, with the probable increase in the county tax, will amount to as large an appropriation as that of last year.

Any further appropriation would necessarily result in an increase in the rate of taxation, and the Committee unanimously recommended the dismissal of such articles.

Each \$1,000.00 of additional appropriation increases the tax-rate about \$ .25 on the thousand.

Respectfully submitted,

COMMITTEE OF TWELVE.

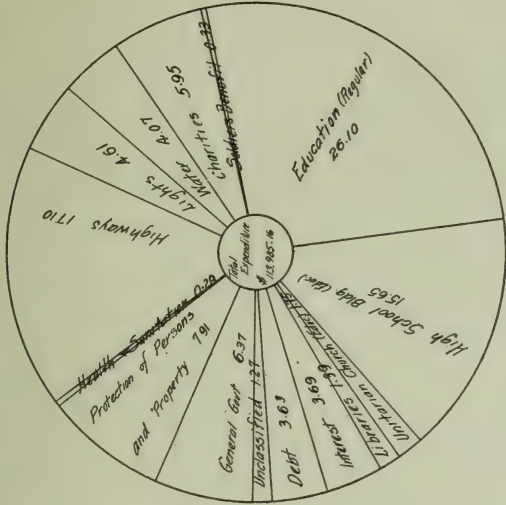
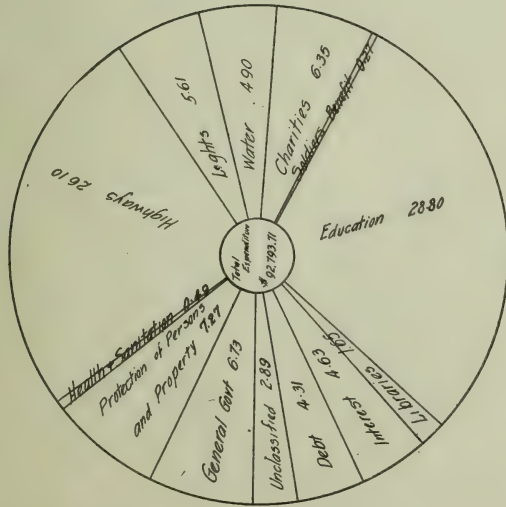


A COMPARATIVE ANALYSIS OF THE EXPENDI-  
TURES OF CERTAIN MAINE MUNICIPALITIES





# Comparative Analysis of the Expenditures of the Town of Brunswick, 1914-'15 and 1915-'16



ANALYSIS OF EACH \$100 EXPENDED BY TOWN OF BRUNSWICK FOR TWO YEARS

# TABLE OF COMPARATIVE EXPENDITURES FOR TOWN PURPOSES

1914-'15

1915-'16

|                                 | Expenditure  | Proportion<br>of total | Per Capita | Expenditure  | Proportion<br>of total | Per Capita |
|---------------------------------|--------------|------------------------|------------|--------------|------------------------|------------|
| General Government              | \$ 6,242.53  | 6.73                   | \$ .944    | \$7,268.35   | 6.37                   | \$1.097    |
| Protection of Person & Property | 6,743.07     | 7.27                   | 1.018      | 9,022.97     | 7.91                   | 1.362      |
| Health and Sanitation           | 453.83       | .49                    | .068       | 330.12       | .29                    | .050       |
| Highways and Bridges            | 2,4217.61    | 26.10                  | 3.657      | 19,488.92    | 17.10                  | 2.943      |
| Lights                          | 5,211.40     | 5.61                   | .787       | 5,241.50     | 4.61                   | .791       |
| Water                           | 4,546.85     | 4.90                   | .686       | 4,642.86     | 4.07                   | .701       |
| Charities                       | 5,889.52     | 6.35                   | .889       | 6,783.17     | 5.95                   | 1.024      |
| Soldiers' Aid                   | 254.48       | .27                    | .038       | 365.43       | .33                    | .055       |
| Education { Regular             | 26,718.12    | 28.80                  | 4.035      | 29,746.01    | 26.10                  | 4.490      |
| { High Sch. Bldg.               |              |                        |            | 17,838.43    | 15.65                  | 2.670      |
| { Unitarian Ch.                 |              |                        |            | 2,000.00     | 1.75                   | .302       |
| Library                         | 1,540.00     | 1.65                   | .232       | 1,600.00     | 1.39                   | .242       |
| Interest                        | 4,302.72     | 4.63                   | .649       | 4,212.55     | 3.69                   | .636       |
| Debt                            | 4,000.00     | 4.31                   | .604       | 4,000.00     | 3.63                   | .604       |
| Unclassified                    | 2,673.58     | 2.89                   | .403       | 1,444.85     | 1.27                   | .218       |
| Total                           | \$ 9,2793.71 | 100.00                 | \$14.010   | \$11,3985.16 | 100.00                 | \$17.185   |

The above diagram and table of figures were prepared by Professor Hormell and the class in Municipal Government in Bowdoin College, assisted by Professor Langley.

The classification of the objects of expenditure is substantially that of the Census Bureau. Such a classification is used by municipalities in at least twelve states having a system of uniform accounting, and by many progressive municipalities in other states. The town of Eden, (Bar Harbor) Maine, last year adopted the classification for its accounts, and the 1916 report of that town is probably the most complete, most informing and most satisfactory among the town reports in Maine.

The value of the uniform classification is two-fold: 1st. The expenditures for the several activities ("Charities," "Education," etc.) during the past year may be compared with those of previous years. 2nd. The cost of an activity in one town may be compared with the cost of the same activity in another town. For example from a comparison of the Brunswick expenditures for 1915-1916, as given above, with those of Bar Harbor, as presented in the 1916 report, it is discovered that out of each \$100.00 expended each town spent \$6.37 for "General Government;" for "Protection of Persons and Property" Brunswick spent \$7.91, Bar Harbor \$11.32; for "Education" Brunswick \$26.10, Bar Harbor \$22.21; for "Water Rents" Brunswick \$4.07, Bar Harbor \$2.45; for "Interest" Brunswick \$3.69, Bar Harbor \$6.07. An equally interesting comparison may be made relative to the per capita expenditures.

The figures presented in the above diagram and table were compiled from the Brunswick Town Reports. The items in the "Contingency" account (an account abolished in up-to-date accounting practice) were distributed among the several classes to which they logically belong. For example, from the "Contingency" account in the 1916 Report, the \$12.86 paid to the Water District was credited to the "Water" account; the \$77.66 paid the truant officers was credited to "Education;" the items of salary of the Selectmen, Treasurer, etc., running expenses of

various offices, printing, etc., were compiled under the title "General Government." "Protection of Persons and Property" includes such items as "Fire," "Police," "Moth Extermination," and "Armory." "Unclassified" comprises such items as "Memorial Day," "Band Concerts," "Cemetery," and the irreducible remainder in the "Contingency" account.

The comparative analysis presented in the table shows a total increase of 22.8 per cent. in this year's expenditures over those of last. However, 2.18 per cent. of the increase is accounted for by the net cost of the High School building and the Unitarian Church. Considering only the regular expenditures the total increase in the cost of the town's activities amounted to only 1.3 per cent.

A comparison of the total and per capita cost of the several activities, this year with last, reveals an increase in seven and a decrease in four. The activities showing the most noteworthy increase are "General Government" 16 per cent., "Protection of Persons and Property" 33.8 per cent., "Charities" 15.2 per cent., "Soldiers' Aid" 43 per cent. and "Education" (regular) 11.3 per cent. In the "Highways and Bridges" account there is a decrease of 19.1 per cent., and in the "Health and Sanitation," "Interest," and "Unclassified" accounts there is a decrease, but the total of these is too small to be of material importance.

Turning to the "proportion of the total" column one discovers that three activities have increased their proportion of the total over that of last year: "Protection of Persons and Property," (increase due to the building of the armory for the militia), "Soldiers' Aid" and "Education."

The information given by such a comparative analysis will increase in value as the number of years included in the comparison is increased. The towns which adopt the standard classification of accounts and compile each year comparative tables will soon possess financial statistics of great value.



## Comparative Analysis of the Expenditures of Eleven Maine Municipalities

The comparative study of municipal expenditures, presented in the following diagram, was made by the course in Municipal Government at Bowdoin College, during the first semester, 1915-1916.

The municipalities included in the study were selected largely upon the basis of the interest of the members of the course. The figures for Gardiner, Maine, were those tabulated in the annual report of that city. Those for the Massachusetts municipalities were taken from a table given in the "Eighth Annual Report on the Statistics of Municipal Finances," published by the Massachusetts Bureau of Statistics. For all other municipalities the figures were compiled from their annual reports. Since there was no opportunity "to go behind the returns" the study could be no more accurate than the financial reports of the municipalities selected. There were about as many methods (not systems) of accounting and classification of expenditures as there were cities and towns studied. The large number of items relegated to the "contingency" and "miscellaneous" accounts made most difficult the task of redistributing the expenditures among the uniform classes. For example, in a number of reports there was a large irreducible remainder of such items as "labor," "expenses," "services," and "supplies." The class to which they logically belonged in no way could be discovered. Hence, they were included in the "Unclassified" account along with "Memorial Day" and "Cemeteries," which explains the rather large proportion in the "Unclassified" account in several municipalities.

The expenditures compared are those for municipal purposes only. Among the several municipal services, it is interesting to note that "Education" has the highest proportion, the average for the eleven municipalities being 31.32 per cent. All the

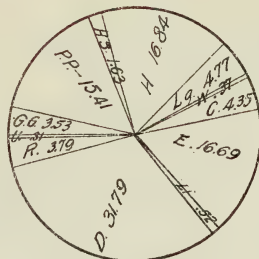
cities studied, with the exception of Gardiner, are below the average and all the towns, with the exception of Brunswick, are above. "Highways" has the next highest average, 23.45 per cent. Again all the cities are below the average while the towns, with the exception of Lisbon and Sanford, are above. For such services as "Protection of Persons and Property" and "Health and Sanitation" the cities spend a much larger proportion than do the towns. An even more striking difference relative to such services is seen in the comparison between the Maine and the Massachusetts municipalities; the average of "Protection of Persons and Property" in the Maine cities is 8.24 per cent. while that of Massachusetts cities is 14.20 per cent.; "Health and Sanitation" in Maine cities averages 2.11 per cent., compared with 7.20 per cent. in Massachusetts cities. Such differences are to be expected from the fact that with the increase in urban population the demands for fire and police protection greatly increase, and the cost of sewage and garbage disposal rapidly advances. That the proportion for "Charities" in four of the six towns is above the average, while the proportion in all but one city (Lewiston) is below, was, however, a surprising discovery to the members of the course.

The comparisons presented in the above diagram give rise to many interesting questions. Why does Brunswick spend so small a proportion of her total on "Health and Sanitation?" The answer is that the "Brunswick Village Corporation" builds and maintains the sewers. Why does Foxcroft spend so little on "Protection?" Inquiry brought out the fact that it has a separate water district which assesses and collects its own taxes and supports the fire department. Why does "Water" amount to such a large proportion in some of the municipalities and very little or nothing at all in others? It is found that in certain municipalities the water plant is owned and operated by the city or town while in others the water is provided by either a separate water district or a private company.

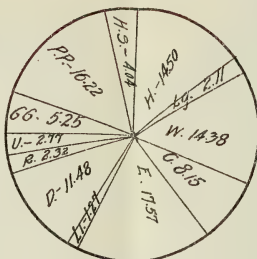
Making proper allowances for such unusual differences, a comparison of the type of the one here presented throws much light upon what the cities and towns are doing with their money and what activities they consider to be the most worth while. One of the first discoveries made in pursuing the study was that the town and city reports, as they are now drawn up, are worthless for comparative purposes. The following diagram illustrates in a small way what may be done for all the municipalities in Maine when uniform financial statistics are collected and published.



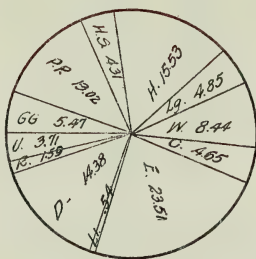




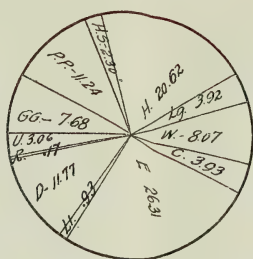
Portland - 58,571\*



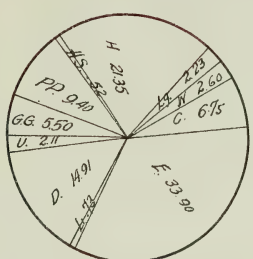
Lewiston - 26,247



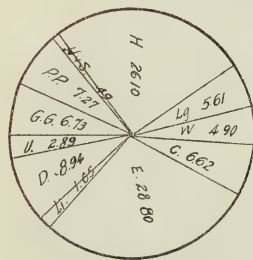
Bangor - 24,803



Auburn - 15,064



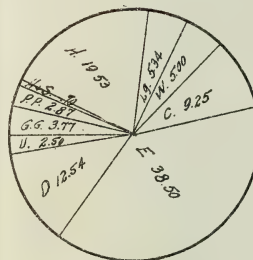
Sanford - 9,049



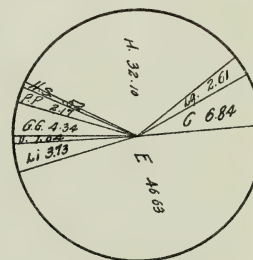
Brunswick - 6,621



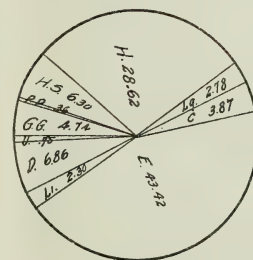
Gardiner - 5,311



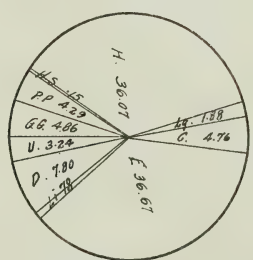
Lisbon - 4,116



Dover - 2,091



Foxcroft - 1,867

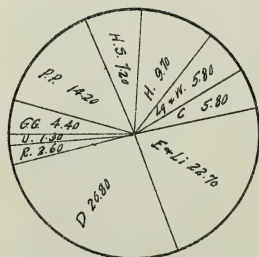


Newcastle - 1,066

GG = Gen. Government  
PP = Protection of Persons & Property  
HS = Health & Sanitation  
H = Highways  
Lg = Lights  
W = Water

C = Charities  
E = Education  
Li = Libraries  
D = Debt, Interest & Sinking Fund.  
R = Recreation  
U = Unclassified

\* Note: Population as given is for 1910



Composite of Massachusetts Cities  
1913-1914

## MUNICIPAL EXPENDITURES

DIAGRAM SHOWING  
ANALYSIS OF  
EACH \$100 OF EXPENDITURE  
OF  
ELEVEN MAINE CITIES AND TOWNS  
1914-1915



# Bureau for Research in Municipal Government

## PUBLICATIONS

| No. | Title.                                                                                             |
|-----|----------------------------------------------------------------------------------------------------|
| 1.  | <i>Municipal Accounting and Reporting</i> , Orren Chalmer Hormell, Feb. 1915, (edition exhausted). |
| 2.  | <i>Budget-Making for Maine Towns</i> , Orren Chalmer Hormell, April, 1916.                         |

## WORK OF THE BUREAU, 1915-1916

The purpose of the bureau and the work accomplished during its first year were stated in the Bulletin, Municipal Research Series, No. 1, page 23. Besides distributing the bulletins among the cities and towns of Maine, the bureau has assisted a number of municipalities in reorganizing their accounting and reporting systems through the loaning of materials and personal advice. In a few instances municipalities have been aided in securing speakers on municipal affairs. The more important work of the bureau, however, has been the collecting and cataloguing of materials for the use of the students in Bowdoin College. Special attention, this year, has been given to material upon municipal finance.









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Hormell, Orren Chalmer  
Budget-making for Maine  
towns

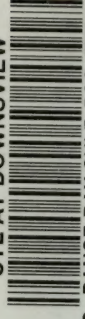
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